D.B. CIVIL SPECIAL APPEAL NO.34/2005
(Oriental Insurance Com. Ltd. Vs. Smt. Radha & Ors.)

Date of order : 26.7.2006

HON'BLE MR. JUSTICE RAJESH BALIA
HON'BLE MR. JUSTICE GOPAL KRISHAN VYAS

Mr. L.D. Khatri, for the appellant.
Mr. Dhanesh Saraswat on behalf of
Mr. Ravi Bhansali, for respondent No.7.

Learned counsel for the appellant states that the appeal is directed only against the rate of interest awarded in respect of award of compensation to the respondent No.1 to 5 in a case where claimants, legal heirs of deceased Chotulal are the respondents, have been awarded compensation by the Motor Accidents Claim Tribunal.

In that view of the matter, it is submitted by the learned counsel for the appellant that service on respondent No.6 is not essential for the purpose of this appeal and the service on respondent No.6 may be dispensed with.

The prayer is reasonable. The service on respondent No.6 is dispensed with and the appeal is heard on merit at the request of the learned counsel for the parties.

The only question raised in this appeal is that interest @ 18% on amount of compensation awarded by Motor Accidents Claims Tribunal, Rajsamand is excessive and ought to be reduced.

We find from the material on record that the accident had occurred on 31.5.1987. The application for compensation was made on 27.11.1987 and the award by Motor Accident Claims Tribunal was passed on 20.6.1994, making an award of Rs.6,60,000/- in total. By excluding Rs.15,000/- paid as interim compensation under Section 40 of the Motor Vehicles Act, 1939., Rs.6,45,000/- were required to be paid as on the date of the award. The interest was awarded w.e.f. date of application @ 18%.

For allowing the rate of interest @ 18% in the year 1994, the learned Tribunal has referred to as many as ten precedents of different High Court and that of the Supreme Court in which during that period, the rate of interest has been awarded from 15% to 18%. Those judgments are ranging between 1991 to 1993. Apparently, the period from 1987 to 1994 was the

period when rate of interest was almost at peak and general rate, which has been awarded during that period is ranged between 15% to 18%. In the circumstances, awarding the rate of interest @ 18% when the award was made cannot be said to be excessive.

In the circumstances, we do not find any ground to reduce the rate of interest as awarded by the Tribunal and affirmed by the learned Single Judge. Accordingly, the appeal fails and is hereby dismissed.

(GOPAL KRISHAN VYAS), J. (RAJESH BALIA), J.

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